



Frequently Asked Questions About Measure N

Measure N is a 1% sales tax that will provide funds to build a new, seismically safe hospital to ensure 24/7 access to the John C. Fremont Hospital and its emergency room. Here are answers to the most frequently asked questions voters have about Measure N.

The Need for Measure N

Why is Measure N needed?

Major earthquakes have caused many California hospitals to suffer significant damage, killing patients and forcing them to suspend some or all services. In response, the state legislature approved Senate Bill 1953 (SB 1953) requiring every California hospital to meet stringent seismic safety standards or risk closure. The ultimate public safety benefit of the bill is to have general acute care hospitals and emergency rooms that are built to remain fully operational 24/7 after a seismic event. *Our hospital does not meet these standards.* Measure N will provide the funds needed to upgrade the facilities by building a new seismically safe hospital for our community.

Are we really at risk of having the hospital closed if we don't meet the seismic safety standards?

Yes. A hospital that does not meet SB 1953's structural and nonstructural requirements "shall not provide acute care services or beds" after the 2030 compliance deadline. And acute care includes the emergency room.

Mariposa County is not in a major earthquake zone, so why do we need to meet such strict seismic standards? Have we tried to get exempted from this "one size fits all" law?

Yes, and our repeated efforts to be exempted or to meet less stringent requirements have all been rejected. There is proposed legislation (Senate Bill 758) that would extend the current 2030 deadline by seven years, giving hospitals like ours more time to comply with the seismic safety standards. But our hospital will need to comply eventually, and building sooner affords two major benefits. One is that with construction costs constantly rising, the total cost will be less. The second is that the sooner it's built, the sooner our community reaps the rewards of having a larger emergency room, an operating room, more advanced and accessible diagnostic equipment, better accommodations in private rooms, and all the other improvements that accompany having a modern, state-of-the-art hospital.

The closures and restrictions caused by the pandemic are really hurting our tourism-based economy. Wouldn't it be better to delay the project until our local economy is stronger?

Most epidemiologists expect vaccines and better treatments to be available during the first half of next year, and some even predict a vaccine will be available by the first of the year. These developments should help get the pandemic under control by the time the tax takes effect on April 1st 2021, enabling both the global and local economies to open even more. We are already partially open here in Mariposa County, and it is reasonable to expect that next year will be much better than this one has been. Just as important is the cost of waiting. Because a project of this magnitude (no pun intended) will take many years to complete, a delay will only increase the total cost.

Use of Measure N Funds

What will Measure N do?

Measure N will provide the funds needed to upgrade the facilities by building a new, seismically safe hospital for our community. The new facilities will:

- Ensure that our hospital and its Emergency Room will stay open and fully operational during any natural disaster to provide essential medical care 24/7
- Expand and modernize the Emergency Room to reduce wait times, create space for large diagnostic equipment and otherwise improve patient care
- Replace outdated medical equipment with modern, state-of-the-art technology, including both diagnostic and support equipment, to meet the operating needs of the hospital
- Build facilities essential to attract and retain the highly qualified medical professionals needed to serve our community

How much funding is Measure N expected to raise?

A 1% sales tax will raise approximately \$2,600,000 annually. It is important to note that about one-third of Mariposa County's total sales tax receipts come from purchases made by tourists in Yosemite.

Why not just renovate the existing hospital?

The hospital Board of Directors has given this and other options careful consideration, including in consultation with other healthcare districts, and professional architects and engineers specializing in hospitals. But because the hospital was built almost 70 years ago, even a major and potentially very costly renovation would not meet all of the hospital's safety and patient care needs. There will be ways, however, to repurpose the existing hospital for other needs (see question below).

What is the district planning to build?

The District will build a new hospital that meets the strict seismic safety standards required state law. The new hospital, to be built on existing campus next to the current hospital, will include an expanded and enhanced emergency room with enough beds to reduce wait times significantly, a surgical suite with a recovery area, easily accessible diagnostic equipment, more individual patient rooms with adjoining private bathrooms, a new lab, a pharmacy, and many other useful amenities. To ensure the new facility meets the community’s needs, the hospital staff will have an opportunity to provide input during the design phase.

Why are there not any architectural drawings of the new hospital?

One of the most important measures of success of a building is whether it satisfies the needs of the people who will use it. Therefore, the first step for an architect is to interview the doctors, nurses, specialists and other staff who work in patient care, food service, housekeeping and maintenance to design the building to best suit their needs. Only after the architect thoroughly understands the needs, and works with the builder make cost-saving adjustments, can the drawings be made and presented to the public. This process, also to be funded by Measure N, ensures that the hospital will meet the requirements of the community and keeps expensive change orders to a minimum.

When will the new hospital be built?

If Measure N passes, initial planning for design specifications and working drawings will begin immediately. The whole process of design and construction will take several years, leaving adequate time to have the new hospital be up and running before the 2030 deadline.

What will happen with the existing buildings?

They can be repurposed for many potential uses, and those be will determined during the design phase of the new hospital. For example, the primary care clinic was built in 1996 to the standards required for clinics at that time, and it will probably remain a clinic. Existing facilities could also be used to expand the Ewing Wing, for administrative offices or some other purpose that might be identified.

How much is the total project expected to cost?

That will not be known until the plans are finalized. But what is known now is that similar healthcare districts serving similar communities have spent between \$50 million and \$80 million on new seismically safe hospitals.

How can I be assured the district is going to invest this money wisely?

This money is earmarked 100% for construction of a new replacement hospital. It will be used to secure a bond, and all phases of the project will be subject to an open, public process.

The hospital has struggled under poor management in the past. How can I be assured that won't be the case for the new hospital?

The hospital's finances are audited by an impartial outside firm of experts every year, and the resulting report is public information that is posted on the District's website. Mariposa County residents are encouraged to read the auditor's report to learn how the District's funds are allocated. The financial situation improved substantially when the District recruited experienced professionals in key administrative positions several years ago. The District was criticized at the time for using "outsiders" rather than Mariposans. But the fact is: running a hospital takes special talent, and having that talent here has made the John C. Fremont Hospital a well-run operation. The prudent fiscal management has also enabled the hospital to expand services, recruit more specialists and reduced turn-over by boosting employee morale.

I live closer to other emergency rooms. Why should I vote for Measure N?

For most Mariposa County residents, John C. Fremont Hospital is the closest emergency room while they are at home, at work or running errands. And in an emergency, whenever and wherever it strikes, minutes can mean the difference between life and death. But the hospital is much more than just its emergency room, and the District will be expanding and enhancing its offering of medical services as part of the construction of the new hospital. These improvements will give residents from throughout the county more options for both routine and specialized medical care. Of course, residents who live closer to hospitals in neighboring counties may also shop more frequently at stores in those neighboring counties, and will not be paying the Mariposa County sales tax when they do.

When will the clinic in Greeley Hill be reopened?

Reopening the Greeley Hill Clinic on the Northside, which was destroyed in a fire, is a priority for the District. The property has since been sold, and the District has already signed a lease with the new owners. Construction is underway and the building is expected to be approved for occupancy around the time of the election.

Why A Sales Tax

Why did the hospital's Board of Directors choose a sales tax instead of a property tax?

A sales tax has two important advantages. One is that a sales tax is only collected from discretionary purchases made in Mariposa County or online by Mariposa County residents, but not on groceries or medications. The other is that, unlike property taxes, sales taxes are also paid by tourists for the meals they eat in our restaurants and the souvenirs they buy, and their contribution amounts to around one-third of the total sales tax collected.

Why not just tax the tourists with an increase in the bed tax?

State law prohibits special districts like the John C. Fremont Healthcare District from assessing a transit occupancy tax (TOT), also known as a bed tax. So it's just not an option.

How much do you expect the average resident will pay in additional taxes if Measure N passes?

That depends on what residents buy and where they shop. Unprepared food bought in grocery stores and medicines purchased in drug stores are not taxed. Goods purchased in stores are, but only when purchased in Mariposa County or online. In other words, when shopping at stores or dining in restaurants in Merced, Modesto, Oakhurst, Fresno or other neighboring city, residents will pay the local sales tax for those counties, not Mariposa County's. This is also why tourists pay our sales tax here.

The hospital's financial position seems strong, so why is additional funding needed to build a new hospital?

The hospital is able to cover its regular operating costs, and the District is proud of being able to do that responsibly. Building a new hospital to current safety and building code standards is not a normal cost, however. Which is why rural hospitals like ours inevitably need some form of special financing, like the bond funds from Measure N will be used to secure.

How do other rural hospitals fund building new facilities?

Regrettably, many rural hospitals facing this same seismic safety mandate have closed or are considering closing. The closure of all these rural emergency rooms is part of the reason why wait times have increased in urban and suburban emergency rooms. Those that do endeavor to remain open must do what the John C. Fremont Healthcare District is doing: seek special funding through property taxes, parcel taxes or sales taxes.

Has the District tried to get grant money that might be available for rural healthcare districts?

The District is constantly pursuing grant opportunities. Grants usually provide funding earmarked for specific activities, however, and normally come with strings attached. For example, grants that cover a particular disease can only be used for treating patients with that disease. While there are no grants that cover general construction costs, some will cover some regular operating expenses, freeing up District funds to be used for some construction-related costs.

Why is there no sunset clause in Measure N like there is for the previous measure?

The most cost-effective term of the bond (20, 30 or even 40 years) cannot be known until construction plans are finalized. Once the loan is paid off, the residents of Mariposa County can vote to terminate Measure N's 1% sales tax.

Because the hospital already gets a ½% sales tax supplement, Measure N will make the total 1½%. Does the hospital really need that much funding in taxes?

The original ½% sales tax is being used to pay off previous debt (in the form of bonds) for the hospital's expansion in 1994-1996, as well as for ongoing operational expenses. That tax, which expires in 2025, has enabled the District to reverse a downward debt spiral and achieve its current strong financial

footing. And good finances are essential to getting an affordable loan for building the new hospital and making the other improvements being funded by Measure N.

How does an 8.75% sales taxes compare to other communities in California?

Some two-thirds of Californians already pay 8.75% or more in sales taxes, and many pay as much as 10.25%. It is important to note that, in each community, the local electorate has voted to support the additional sales tax (beyond the state's base rate of 7.25%) because they want the benefit provided. In our case, that benefit will be a new, modern hospital and emergency room.

Is John C. Fremont a county hospital?

No. The John C. Fremont Healthcare District covers the same geographic area as Mariposa County, which is why some people believe it is a county hospital. But the John C. Fremont Hospital is a community owned hospital that is governed by a locally elected District board of trustees (not the Board of Supervisors) accountable to the community it serves.

Then why was it necessary to involve the Board of Supervisors?

State law requires local governments to approve any ballot measure, even when the funds are earmarked for another entity; in this case, the John C. Fremont Healthcare District to build a new seismically safe hospital. The County is also responsible for disbursing the funds earmarked for the District when it collects sales taxes. The only money from Measure N that will go to the County is a small amount to cover the modest accounting cost involved.

Can funds raised by Measure N be taken away by Mariposa County or the state of California to be used for other purposes?

No. All funds from this measure are earmarked for the John C. Fremont Healthcare District to build a new hospital, and not even the District has the ability to use the funds for any other purpose.

When is the election and how can I safely submit my ballot?

Election Day is November 3, 2020. This year all registered voters will automatically receive a Vote-by-Mail ballot, so there is no need to request one. Ballots are expected to arrive the week of October 5TH. Residents are being encouraged to vote early and you have three options for submitting your ballots:

1. You can mail your ballot anytime leading up to Election Day. No postage is necessary. If you plan to mail your ballot, please do it no later than Tuesday October 27TH.
2. Drop off your ballot at one of the designated locations identified by the Registrar of Voters.
3. Hold on to your ballot and deliver it to one of the designated Voting Centers that will be open on Election Day from 7:00 am – 8:00 pm.

Where can I go for more information?

Mariposans for a Healthier Future Yes on Measure N website:
www.YesOnMeasureN.org

Measure N Information on the John C. Fremont Healthcare District website:
www.JCF-Hospital.com

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